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C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 001114

SIPDIS

STATE FOR EAP AND INL; DEA FOR OF, OFF;  
USPACOM FOR FPA

E.O. 12958: DECL: 09/10/2013

TAGS: [SNAR](#) [BM](#)

SUBJECT: BURMA: UNODC MAKES A PITCH FOR KOKANG/WA  
INTERVENTION (KOWI)

REF: RANGOON 707

Classified By: COM Carmen Martinez for Reasons 1.5 (B,D)

[11.](#) (SBU) Summary: The UNODC has been making a quiet pitch for support among donors for a new counternarcotics intervention in the Wa and Kokang areas of Burma's Shan State (dubbed the "KOWI" project). UNODC Burma resident representative Jean-Luc Lemahieu recently conducted a round of bilateral consultations within the diplomatic corps and gave a more detailed description of the proposed KOWI intervention at an August 26 mini-Dublin Group meeting. He also shared more details from the 2002-2003 UNODC opium survey, which concluded that overall opium cultivation is sharply down in Burma, but revealed disturbing signs that the Wa are increasing opium activity in advance of their 2005 deadline to cease cultivation. End summary.

[12.](#) (C) In a private meeting with COM and P/E chief, Lemahieu reported that UNODC's Wa project had been extended for two years, primarily to enhance the project's community development component, and he was hopeful that USG funding would return to previous levels (which he indicated was USD 700,000). Lemahieu suggested that the USG had decreased Wa funding in favor of increased support for counternarcotics activities in Afghanistan. In response to COM's inquiry about a standing Wa commitment to cease opium cultivation by 2005, Lemahieu said that reports the Wa had postponed their target date by two years were false and the GOB's drug czar, General Kyaw Thein, had personally confirmed that the Wa are keeping to their promised schedule. However, Lemahieu acknowledged that there is intense pressure within the Wa population to increase opium cultivation, explaining that farmers are unconvinced that there will be sufficient resources to offset future losses of income.

UNODC 2002/2003 Opium Survey  
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[13.](#) (SBU) At an August 26 mini-Dublin Group meeting, chaired by the Japanese Ambassador, Lemahieu said that UNODC's 2002/2003 crop survey had determined that Burma experienced a 24 percent decrease in overall opium cultivation. However, there had been a marginal increase in production due to improved weather conditions. In specific regions, the Kokang areas of northeastern Shan State experienced a 50 percent decrease in cultivation (which Lemahieu described as too fast, not allowing the GOB enough time to consolidate gains), while Wa areas saw a 20 percent increase. Queried by mini-Dublin Group participants about the disturbing Wa increases, Lemahieu explained that the Wa were likely taking advantage of an "open window" for short-term profit before the 2005 moratorium on production. In fact, he added, the yield in parts of the Wa territory was above 13 kg per hectare, approaching Afghanistan yield levels, which implies the use of outside technical assistance, irrigation, and fertilizer--inputs heretofore not a part of the Burma opium industry.

[14.](#) (SBU) UNODC's Lemahieu appealed for donor pledges for the next opium survey, noting that their was a need to support salaries for counterpart units and a desire to extend the survey into Kachin and Rahkine States. He observed that the political situation in Burma (i.e. the aftermath of the May 30 attack on Aung San Suu Kyi) had caused some donors to back off of previous pledge commitments.

Donor Issues  
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[15.](#) (SBU) At the 8/26 mini-Dublin meeting, Lemahieu described the USG as a "traditional pillar of support" for UNODC, and added that solid funding was also in the pipeline from Germany (USD one million) and Italy (USD 100,000) for the existing Wa project and from Australia for other Shan State projects. Australia also reported that it now has both a permanent police advisor and a technical assistant attached to the Narcotics Task Force in Mandalay. The Japanese delegation said that they would provide USD 500,000 for the Kokang project, but noted a Tokyo decision to cease new development funding in Burma as a result of the May 30 attack. Last year, Japan contributed USD 1.2 million under

the Human Security Fund to construct a canal in the Wa region. COM reported to participants that President's certification decision would be announced in mid-September and that a new DEA representative had recently arrived in Burma.

KOWI: Kokang/Wa Intervention

15. (SBU) According to UNODC, a joint assessment conducted with Japanese and NGO participation in March and April revealed the urgent need to counter the growth of cultivated land in northern Wa territory and a worsening humanitarian situation in Kokang areas. The result is a Kokang and Wa Intervention (KOWI) proposal, a five year, USD 12.85 million project comprised of 20-plus varied components. Japan, which is apparently prepared to commit USD 500,000 for emergency assistance to the Kokang, has identified four priority KOWI components: food security, rural development, agricultural development, and a development of a "comprehensive strategy." The World Food Program (WFP), which also participated in the joint assessment, pledged an immediate contribution of USD 200,000 for immediate food security needs, and several NGOs will collaborate in food for work programs.

16. (C) Lemahieu noted that the GOB was not initially very receptive to an international presence in the Kokang area, but reluctantly agreed to two field missions and the WFP immediate response project. With regard to advancing the proposed KOWI intervention, Lemahieu said that UNODC wanted to get a full commitment for funding from donors before devoting substantial UNODC resources to planning and undertaking initial steps.

Expanding the Mini-Dublin Group?

17. (SBU) At the August 26 mini-Dublin Group meeting, several participants suggested that the next meeting should include representatives from neighboring countries affected by trade in narcotics and precursor drugs. UNODC reported that China in particular has expressed a keen interest in discussing drug cooperation efforts. This appears to be an outcome of the August 2001 Beijing Declaration on regional law enforcement cooperation between Burma, Thailand, Laos, and China. As a result, UNODC proposed, and participants agreed, to invite China, Thailand, and India to the next mini-Dublin Group meeting.

Martinez